



State of California
Employment Training Panel

Training Proposal for:
Pacific Dental Services, Inc.

Agreement Number: ET09-0221

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Diego**

Analyst: C. Robinson

PROJECT PROFILE

Contract

Type: Retrainee

SET Frontline - Retrainee

SET/HUA - Retrainee

Industry

Sector(s): Services

Counties

Served: Riverside, San Joaquin, Ventura,
El Dorado, Placer, San Diego,
Orange, San Bernardino, Los
Angeles, Sacramento, and Kern

Repeat

Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority

Industry: ☐ Yes ☒ No

No. Employees in CA: 1,700

No. Employees Worldwide: 2,030

Turnover Rate %	Manager/ Supervisor %
14.2%	3.1%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding	In-Kind Contribution
\$490,305	\$0	\$490,305	\$509,917

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Avg. No. of Trainees	Range of Hours		Avg. Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	185	24 - 200	-0-	\$885	\$14.02
				Weighted Avg: 59			
2	SET Frontline - Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	409	24 - 200	-0-	\$690	\$23.36
				Weighted Avg: 46			
3	SET/HUA - Retrainee	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	51	24 - 200	-0-	\$870	\$12.85
				Weighted Avg: 58			

Minimum Wage by County: \$14.02 for Orange County (Job Number 1). \$23.36 for Set Frontline – Retrainee (Job Number 2). \$12.85 for Kern, Riverside, San Joaquin, and San Bernardino counties; \$13.28 for Ventura County for SET/HUA – Retrainee (Job Number 3)

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No

\$2.76 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 through 3.

Other Benefits: Life, Long Term Disability, Accidental Death and Dismemberment Insurance; Tuition Assistance, Vacation, Personal Days, and Holiday

Wage Range by Occupation	
Occupation Title	Wage Range
Managers/Supervisors	
Information Technology Staff	
Sales/Marketing Staff	
Finance Staff	
Training Staff	
Human Resources Staff	
Administrative/Customer Service Staff	
Coordinators	
Dental Assistants	
Support Staff	
Technical Staff	
Note: Trainees in Job Number 2 must meet the SET minimum wage (\$23.36) within the above wage ranges. Managers/Supervisors will not be included in Job Numbers 2 and 3.	

INTRODUCTION

In this proposal, Pacific Dental Services, Inc. (PDS) seeks retraining funding for 645 trainees as outlined below:

Founded in 1994 PDS, is a privately held business management company serving over 175 dental practices located throughout the western United States. Its services include office design/lease negotiation, human resources/employee staffing, marketing, tax strategies, managed care contracting, and operating budgeting strategies. PDS proposes to train 185 full-time workers located in the Irvine headquarters facility who provide support for company locations both inside and outside of California. These trainees are in occupations that face out-of-state competition and will be funded in Job Number 1.

Special Employment Training

PDS also seeks funding under Special Employment Training Project (SET) for frontline workers who earn at least the state average hourly wage (\$23.36), and do not meet the above out-of-state competition provisions for standard retraining. Four hundred nine trainees located amongst 66 subsidiary dental practice facilities located in various cities will be trained in Job Number 2 under SET.

SET - High Unemployment Area (HUA)

The company also proposes to train under the SET/HUA provisions for an additional 11 dental practices located in the cities of Bakersfield, Hemet, Hesperia, Manteca, Moreno Valley, Murrieta Hot Springs, Oxnard, Perris, Rialto, San Bernardino, and Victorville. These cities have been identified as areas with unemployment rates significantly higher than the state average unemployment rate by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, California Code of Regulations, Section 4409 (b).) In this case, trainees may earn less than the state average hourly wage. HUA trainees must earn at least the ETP minimum wage by county. The 51 full-time trainees located in the facilities will be trained in Job Number 3.

Trainees in Job Numbers 2 and 3 have been identified for SET funds. Therefore, trainees in Job Numbers 2 and 3 are not required to meet the 90-day employment history standards for retraining eligibility. (Unemployment Insurance Code Section 10201(c).)

PROJECT DETAILS

PDS establishes an ownership/operating model with Dentists by providing them with a patient reference pool, office facilities in high traffic retail environments, and complete office staff to run all aspects of a dental practice. PDS claims that its services allow Dentists to give patients improved care by alleviating the time required to run the daily business and operational activities of a dental practice.

The company developed strategic plans that include affiliating with over 30 new dental practices annually. Expansion efforts are currently being made into new geographical areas considered by PDS to be underserved in Northern California, Arizona, and Nevada. To remain competitive, PDS must offer existing and new owner Dentists the latest industry technology and improved business support services.

To address plans of implementing state-of-the-art dentistry services, PDS will introduce new computer-aided x-ray and dental restoration (CAD/CAM) technology in its affiliated offices. Streamlining company business operation services will reduce waste, improve product quality, increase customer satisfaction and attract new business by offering Owner Dentists more efficient business operations that will increase profit margins.

Business Skills - All retrainees in the proposed training plan will receive Business Skills training in topics deemed appropriate for their occupation. Advanced customer service skills, communication/coaching, accounting, marketing, project management, and negotiating skills training will support PDS's expansion plans and improve customer service delivery. Improved business processes will allow company employees to streamline individual dental practices and increase company growth.

Commercial Skills - Company representatives state that Commercial Skills training will concentrate in advanced production processes/techniques, new product information, dental equipment operation, clinical procedures, and technical specifications. Administrative/customer service staff will learn new technical specifications and product information to communicate more effectively with affiliate professional dental and headquarters staff when resolving insurance and billing conflicts. Coordinators, dental assistants, support, and technical staff will be directly involved in the implementation of new CAD/CAM systems. These occupations must learn many new related production processes/techniques, product information, clinical procedures, and technical specifications for them to both understand the new technology and work efficiently with Dentists and Hygienists and other professional dental staff.

Headquarters staff including manager/supervisors, coordinators, sales/marketing, training, and information technology staff who are responsible for improving affiliate business operations must also learn topics included in Commercial Skills to allow them to develop additional, more efficient processes and policies to keep PDS competitive and reduce costs.

Computer Skills - PDS's initiative to introduce new processes includes digital imaging and CAD/CAM computer-aided design/milling of ceramic restorations. Dental assistants, support, and technical staff will learn how to operate the new equipment that will improve diagnosis and eliminate the need for dental impressions and temporaries that are the current industry standard. In addition, PDS will implement new accounting, inventory control, and internal customer, internet and networking computer applications to improve transfer of patient information and billing processes. Intermediate/Advanced Excel, Power Point, Access and project management skills training will aid the company efforts to become more efficient and provide improved customer service by upgrading the computer skills of participating trainees. The company will train most occupations in the proposed training plan in Computer Skills as applicable for individual job duties. Company representatives state that training was not included in the purchase of any of the aforementioned software products.

Continuous Improvement Skills - All occupations included in the proposed training plan will receive training in Continuous Skills as appropriate to the company's business needs and its individual occupation. Topics in process improvement, standard operating procedures, conflict resolution, problem solving, and quality control skills will streamline company processes, support new product implementation, reduce waste, and improve service delivery while meeting the changing needs of PDS's customers.

Commitment to Training

Currently, PDS has an annual budget of approximately \$2,000,000 that supports the company's mandated and job related training, including CalOSHA/Federal Government-required training,

general safety, sexual harassment prevention, on-the-job job basic skills training, new employee orientation, basic company policies, first aid, business ethics, benefits skills, and continuing education owner/Dentists).

Company representatives state that funding of these topics will continue on an ongoing basis in the future. PDS represents that ETP funds will not displace the existing financial commitment to training and company officials anticipate that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. The company also represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Frontline Worker

PDS representatives state that 20 retrainees in Job Number 1 are supervisors or managers, while the remaining 625 (97%) in Job Numbers 1 through 3 are frontline workers directly producing services. There are no trainees that set company policy included in the proposed training plan. Additionally, there are no managers/supervisors included in the Job Number 2 SET and Job Number 3 SET/HUA-funded groups.

Average Turnover Rate

Company representatives provided turnover rates for each of the proposed facilities that range between 0% and 19.5%. Because the headquarters facility and affiliated dental practices each have an annual turnover of less than 20%, PDS meets the Panel's current policy to fund training for stable, secure jobs. An average turnover of 14.2% for the aforementioned facilities is being used to display the company's turnover rate on page one of this proposal.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Pacific Dental retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$15,000.

ADMINISTRATIVE SERVICES

The company also retained NTC to perform administrative services that relate to administration of the ETP Agreement for total fees not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

(24-200 hours)

Trainees will receive any of the following:

BUSINESS SKILLS

- ☐ Advanced Customer Service Skills
- ☐ Communication/Coaching Skills
- ☐ Negotiating Skills
- ☐ Marketing Techniques
- ☐ Accounting Skills
- ☐ Improved Business Processes
- ☐ Project Management

CONTINUOUS IMPROVEMENT

- ☐ Process Improvement
- ☐ Decision Making
- ☐ Conflict Resolution
- ☐ Standard Operating Procedures
- ☐ Problem Solving
- ☐ Quality Control Skills

COMPUTER SKILLS

- ☐ Computer-Aided Design/Computer Aided (CAD/CAM) for Dentistry
- ☐ Digital Imaging
- ☐ Accounting Systems
- ☐ Inventory Control
- ☐ Internal Customer Applications
- ☐ Intermediate and Advanced Excel/PowerPoint/Access
- ☐ Project Management Software
- ☐ Internet Applications
- ☐ Networking Applications

COMMERCIAL SKILLS

- ☐ Advanced Production Processes/Techniques
- ☐ New Product Information
- ☐ Dental Equipment Operation
- ☐ Clinical Procedures
- ☐ Technical Specifications